



**ASX / MEDIA RELEASE
FOR IMMEDIATE RELEASE
25 October 2012**

CROWN SYDNEY HOTEL RESORT - UNSOLICITED PROPOSAL

MELBOURNE: Crown Limited (ASX: CWN) today announced that it welcomed the decision of the NSW Government to proceed to Stage 2 of the Unsolicited Proposal process for the Crown Sydney Hotel Resort.

A copy of the NSW Government's announcement is attached.

Crown's Chief Executive Officer, Mr Rowen Craigie, said:

"In accordance with published NSW Government guidelines, Crown has lodged an Unsolicited Proposal to construct and manage a world-class, six-star hotel resort at Barangaroo South."

"The announcement by the NSW Government to progress Crown's Proposal from Stage 1 to Stage 2 is a major step forward for this exciting project."

"No other organisation can deliver this unique project at Barangaroo. Crown's record demonstrates that it can provide a centrepiece for Sydney that will draw millions of visitors and employ around 2,000 people in construction and operation. A six-star hotel resort on the waterfront at Barangaroo will assist Sydney to compete with the best cities in the world for international tourists and for major conferences and events."

As previously announced, Crown has signed an Exclusive Dealing Agreement with Lend Lease Corporation Limited ("Lend Lease"), the exclusive developer of Barangaroo South, whereby Crown and Lend Lease will work together on an exclusive basis for a period of up to 24 months to jointly develop the concept plan for the hotel resort. The hotel resort is expected to be located on a site to be agreed with the NSW Government on the north west corner of Barangaroo South, adjacent to Sydney Harbour and Barangaroo Central. The development of the hotel resort at Barangaroo South is subject to a number of government approvals, including approval of the Barangaroo Delivery Authority.

As outlined in Crown's Proposal, the development of the Crown Sydney Hotel Resort will involve an international architectural design competition in order to create an iconic addition to Sydney Harbour.

Crown's Proposal makes it clear that, given the significant cost of the project, VIP gaming is essential to make this project commercially viable.

"Crown is proposing that VIP gaming would only be available for international high rollers, mainly from Asia, together with interstate and local VIP players on an invitation only basis."

"Crown will continue to work closely with its Project Partners - Lend Lease, the United Voice Union (NSW Branch) and the National Centre of Indigenous Excellence - to ensure the success of the Crown Sydney Hotel Resort."

"Crown is also looking forward to working with the NSW Government in the further development and assessment of Crown's Proposal under Stage 2 of the process," Mr Craigie said.

A summary of Crown's Proposal is set out in the Schedule to this announcement.

ENDS

Enquiries – Ken Barton, Chief Financial Officer, 03 9292 8824

SCHEDULE

Summary the Crown Sydney Hotel Resort Proposal

A Description of the Hotel Resort Project

- **Location - Barangaroo South:**

Crown has an Exclusive Dealing Agreement with Lend Lease. Crown and Lend Lease are now working together to jointly develop the concept plan for the hotel resort on Lend Lease's Barangaroo South site.

- **Key Hotel Resort Details:**

- Up to \$1 billion project cost (depending on final scale and configuration).
- Over 350 luxury hotel rooms in a six-star hotel.
- Signature restaurants, luxury spa and pool.
- International architectural design competition - "landmark building".
- Dedicated training colleges at the National Centre of Indigenous Excellence, Redfern and at a site to be determined.
- VIP gaming will only be available for international high rollers (mainly from Asia) and interstate and local VIP players on an invitation only basis.

- **Project Partners:**

- The United Voice Union.
- The National Centre of Indigenous Excellence, Redfern.
- Lend Lease.

B Key Benefits

- **Gross State Product:**

\$400 million annual contribution to the NSW economy*.

- **Business Investment:**

Investment in the NSW economy increases by over \$200 million per year during the construction phase and between \$140 million and \$200 million every year once operational*.

- **Export Income (expenditure from international visitors):**

An increase of \$400 million per year in NSW export income once operational*.

- **Tax Revenue:**

The Crown Sydney Hotel Resort will generate additional VIP gaming tax revenue for NSW.

- **Jobs:**

Over 2,000 jobs will be created (650 new on-site construction jobs and 1,400 new jobs once operational).

- **Indigenous Jobs:**

As Project Partners, National Centre for Indigenous Excellence and United Voice will work to deliver Indigenous employment programs for the hotel resort, including pre-employment and traineeships with local schools.

* The Allen Consulting Group, Crown Sydney Proposal – An Economic Benefit Report, August 2012

- **Tourism Infrastructure and Hotel Beds:**

The hotel resort will help alleviate the shortage of available premium hotel rooms in Sydney.

- **Allowing Sydney to Attract More International Government, Business and Sporting Events:**

The Crown Sydney Hotel Resort will become a critical asset when NSW bids for these events, complementing the new convention and conference facilities being delivered by Infrastructure NSW.

- **Boost to Tourism**

The Crown Sydney Hotel Resort will attract more international and domestic visitors to Sydney

COPIES OF RELEASES - Copies of previous media and ASX announcements issued by Crown are available at Crown's website at www.crownlimited.com



Barry O'Farrell MP Premier of NSW Minister for Western Sydney

MEDIA RELEASE

Thursday 25 October, 2012

CROWN HOTEL RESORT PROPOSAL MOVES TO STAGE 2

Premier Barry O'Farrell today announced the proposal by Crown Limited for a six-star hotel resort with VIP-only gaming facilities at Sydney's Barangaroo had moved to the second stage of government consideration.

Mr O'Farrell said Crown had lodged an unsolicited proposal for the development with the NSW Government on September 6 and it had been considered under the *Unsolicited Proposals Guide for Submission and Assessment* which came into force in January.

"Crown's submission is that the development would see up to \$1 billion invested in NSW and would result in more than 1,200 jobs," Mr O'Farrell said.

"As Sydney's first six-star hotel, it would be a world-class tourist facility which would help us compete with other global destinations particularly in the lucrative and booming Asian tourism market.

"The proposal has undergone an initial assessment – signed off by the heads of the Department of Premier and Cabinet and the Treasury - which concluded it should now be subject to a rigorous financial appraisal to see if it is in the state's best interests."

Mr O'Farrell said the NSW Government would not permit poker machines to be part of the development.

He said a project team would examine the proposal in Stage 2, with its independent chair to be appointed shortly. The team would report to government in the new year.

"In this next stage, the net benefit of granting a gaming licence at Barangaroo – and the conditions that should apply to ensure the maximum benefit to NSW over time - will be comprehensively assessed," Mr O'Farrell said.

"This process will be separate from the negotiations between Lend Lease, the Barangaroo Development Authority and Crown around the hotel's construction."

Mr O'Farrell said the move to Stage Two did not necessarily guarantee a gaming licence – it merely meant the proposal would be further assessed and developed in conjunction with Crown.

He said the NSW Government would honour the Star's existing exclusivity agreement which meant any new casino would not be operational before 14 November, 2019.

HOW UNSOLICITED PROPOSALS ARE HANDLED BY THE NSW GOVERNMENT:

Stage 1 - Initial submission and strategic assessment: a comprehensive initial assessment of the proposal to identify the potential benefit to government of further consideration and development with the proponent. The outcome is advice to the proponent of progression to Stage 2, or that the government does not wish to proceed.

Stage 2 - Detailed proposal: requires the proponent and government to work cooperatively in the development and assessment of a detailed proposal. The outcome is advice to the proponent of progression to Stage 3, or that the government does not wish to proceed.

Stage 3 - Negotiation of final binding offer: involves the finalisation of all outstanding issues with a view to entering into a binding agreement, if the government decides to accept the final offer.

Website: <http://www.nsw.gov.au/unsolicitedproposals>

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